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SECURITIES AND COMMISSION
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Washington, D.C. 20549

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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

SEC FILE NUMBER
8- 46850

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/2003 AND ENDING 12/31/2003
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

May, Davis Group Inc.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

14 Wall Street, Suite 1625

(No. and Street)

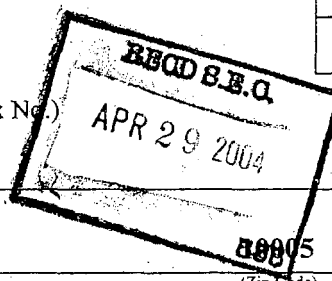
New York

New York

(City)

(State)

(Zip Code)



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FIRM I.D. NO.

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Owen May

(212) 417-8118

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Kempisty & Company, Certified Public Accountants, P.C.

(Name - if individual, state last, first, middle name)

15 Maiden Lane, Suite 1003

New York

New York

10038

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant
☐ Public Accountant
☐ Accountant not resident in United States or any of its possessions.

PROCESSED
14 2004
THOMSON FINANCIAL

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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2).

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, Owen May, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of May, Davis Group Inc., as of December 31, 20 03, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

BARBARA ZINGALLI
Notary Public, State of New York
No. 01ZI4819102
Qualified in Kings County
Certificate Filed in New York County
Commission Expires March 30, 2006

Signature

Chairman

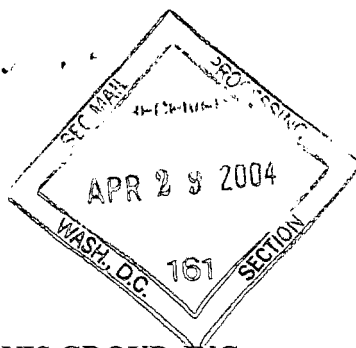
Title

Barbara Zingalli
Notary Public

This report** contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of financial condition.
- ☒ (c) Statement of income (loss).
- ☒ (d) Statement of cash flows.
- ☒ (e) Statement of changes in stockholders' equity or partners' or sole proprietor's capital.
- ☒ (f) Statement of changes in liabilities subordinated to claims of general creditors.
- ☒ (g) Computation of net capital for brokers and dealers pursuant to Rule 15c3-1.
- ☐ (h) Computation for determination of reserve requirements pursuant to Rule 15c3-3.
- ☐ (i) Information relating to the possession or control requirements for broker and dealers under Rule 15c3-3.
- ☐ (j) A reconciliation, including appropriate explanation, of the computation of net capital under Rule 15c3-1 and the computation for determination of the reserve requirements under exhibit A of Rule 15c3-3.
- ☐ (k) A reconciliation between the audited and unaudited statements of financial condition with respect to methods of consolidation.
- ☒ (l) An oath or affirmation.
- ☐ (m) A copy of the SIPC supplemental report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- ☒ (o) Independent auditor's report on internal accounting control.
- ☐ (p) Schedule of segregation requirements and funds in segregation – customers regulated commodity futures account pursuant to Rule 171-5.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).



MAY DAVIS GROUP, INC.

**FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION**

**YEAR ENDED DECEMBER 31, 2003
WITH SUPPLEMENTARY REPORT
OF INDEPENDENT PUBLIC ACCOUNTANT**

MAY DAVIS GROUP, INC.

DECEMBER 31, 2003

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KEMPISTY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS, P.C.

15 MAIDEN LANE - SUITE 1003 - NEW YORK, NY 10038 - TEL (212) 406-7272 - FAX (212) 513-1930

INDEPENDENT AUDITORS' REPORT

To the Stockholders of
May Davis Group, Inc.

We have audited the accompanying statement of financial condition of May Davis Group, Inc. as of December 31, 2003 and the related statements of operations, changes in stockholders' equity, changes in subordinated borrowings and cash flows for the year then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of May Davis Group, Inc. at December 31, 2003 and the results of its' operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2, the Company's ability to continue in the normal course of business is dependent upon the success of future operations. The Company has recurring losses, negative cash flows from operations, limited operating revenues and an accumulated deficit, which raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I, II and III is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Kempisty & Company CPAs, P.C.

Kempisty & Company
Certified Public Accountants PC
New York, New York
March 26, 2004

MAY DAVIS GROUP, INC.
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2003

ASSETS

Cash and cash equivalents	\$ 59,095
Due from clearing organization and other broker-dealers	16,192
Deposits with clearing organizations	125,000
Receivable from officers	459,944
Prepaid expenses and other assets	38,348
Secured demand note	35,000
Securities owned, not readily marketable, at estimated fair value	50,000
Loans receivable	17,377
Furniture and equipment (net of accumulated depreciation of \$8,556)	12,225
	<hr/>
TOTAL ASSETS	\$ 813,181

LIABILITIES AND STOCKHOLDERS' EQUITY

Accounts payable and accrued expenses	\$ 39,366
Commissions payable	4,863
Corporate taxes payable	20,000
Interest payable	5,080
Deferred revenue	22,426
	<hr/>
TOTAL LIABILITIES	91,735
 Commitments and contingencies	
 Subordinated borrowings	574,269
Secured demand note payable	35,000
 Stockholders' equity	
Preferred stock, \$100 par value, 1,000 shares authorized, 200 outstanding	41,250
Common stock, class A, par value \$0.001, 50,000 shares authorized, 2,295 outstanding	1
Common stock, class B, par value \$0.001, 49,000 shares authorized, 1,226 outstanding	-
Paid-in capital	1,246,476
Deficit	(699,550)
	<hr/>
	588,177
 Less: Treasury Stock	 (476,000)
	<hr/>
Total Stockholders' Equity	112,177
	<hr/>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 813,181

The accompanying notes are an integral part of these financial statements.

MAY DAVIS GROUP, INC.

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2003

Revenues:

Commissions	\$ 1,038,496
Other income	303,407
Investment banking fees	223,663
Insurance reimbursement	91,000
Interest and dividend income	45,022
Debt forgiveness	33,749
	<hr/>
Total Revenues	1,735,337

Expenses:

Employee compensation and related expenses	838,622
Customer settlements	404,768
Occupancy	187,752
Clearance and execution	185,437
Travel and entertainment	141,297
Communications	78,455
Professional fees	76,103
Regulatory and registration fees	50,374
Insurance	41,707
Office supplies and expenses	19,636
Depreciation	3,356
Other expenses	36,342
	<hr/>
Total Expenses	2,063,849

Net (loss)	\$ <u><u>(328,512)</u></u>
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The accompanying notes are an integral part of these financial statements.

MAY DAVIS GROUP, INC.

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Preferred Stock</u>	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Accumulated Deficit</u>	<u>Treasury Stock</u>	<u>Total Stockholders' Equity</u>
Balances at January 1, 2003	\$ 41,250	\$ 1	\$ 1,256,476	\$ (413,588)	\$ (476,000)	\$ 408,139
Retained earnings adjustment	-	-	(10,000)	42,550	-	32,550
Net loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>(328,512)</u>	<u>-</u>	<u>(328,512)</u>
Balances at December 31, 2003	\$ <u>41,250</u>	\$ <u>1</u>	\$ <u>1,246,476</u>	\$ <u>(699,550)</u>	\$ <u>(476,000)</u>	\$ <u>112,177</u>

The accompanying notes are an integral part of these financial statements.

MAY DAVIS GROUP, INC.

STATEMENT OF CHANGES IN SUBORDINATED BORROWINGS

FOR THE YEAR ENDED DECEMBER 31, 2003

Subordinated borrowings at January 1, 2003	\$ 383,500
Subordination of arbitration award	<u>225,769</u>
Subordinated borrowings at December 31, 2003	<u><u>\$ 609,269</u></u>

The accompanying notes are an integral part of these financial statements.

MAY DAVIS GROUP, INC.

STATEMENT OF CASH FLOWS

FOR YEAR ENDED DECEMBER 31, 2003

Increase (Decrease) in cash

CASH FLOWS FROM OPERATING ACTIVITIES:

Net loss	\$ (328,512)
Adjustments to reconcile net loss to net cash used by operating activities	
Depreciation	3,356
Changes in operating assets and liabilities:	
Decrease in receivable from clearing organization	6,223
Decrease in commissions receivable	41,864
Decrease in securities owned, at market value	128
(Increase) in receivable from officers	(8,332)
Decrease in prepaid expenses and other assets	44,425
(Decrease) in accounts payable and accrued expenses	(168,219)
Increase in corporate taxes payable	20,000
(Decrease) in commissions payable	(29,350)
(Decrease) in interest payable	(13,486)
Increase in deferred revenue	22,426
Total adjustments	(80,965)
NET CASH USED BY OPERATING ACTIVITIES	(409,477)

CASH FLOWS FROM FINANCING ACTIVITIES:

Subordinated borrowings	225,769
(Decrease) in loans payable	(24,750)
CASH PROVIDED BY FINANCING ACTIVITIES	201,019

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of fixed assets	(10,935)
(Increase) in loans receivable	(6,806)
CASH USED BY INVESTING ACTIVITIES	(17,741)

NET DECREASE IN CASH (226,199)

CASH

Beginning of year	285,294
End of year	\$ 59,095

SUPPLEMENTAL CASH FLOW INFORMATION

Income tax payments	\$ 2,321
Interest payments	\$ 4,050

The accompanying notes are an integral part of these financial statements.

MAY DAVIS GROUP, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2003

NOTE 1- ORGANIZATION AND NATURE OF BUSINESS

May Davis Group, Inc. (the "Company"), is a securities broker/dealer registered with the Securities and Exchange Commission ("SEC") and the National Association of Securities Dealer, Inc. ("NASD").

The Company operates as a "general securities introducing broker" executing trades primarily for retail and institutional customers. The Company does not carry customer accounts or perform custodial functions relating to customer securities. Customers of the Company are introduced to carrying broker/dealers ("clearance agents") on a fully disclosed basis.

As a result of terrorist attacks on the World Trade Center on September 11, 2001, the Company experienced a severe disruption of business, as well as significant property loss. During 2003, the Company received an insurance settlement in the amount of \$91,000 as a recovery for business interruption and loss of assets. The attacks caused the temporary relocation of the Company's employees from its offices located in the World Trade Center. The Company relocated to 14 Wall Street during 2003.

NOTE 2- GOING CONCERN CONSIDERATION

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. The Company has recurring losses, negative cash flows from operations, limited operating revenues and an accumulated deficit. The Company reported losses from operations of \$328,512 for December 31, 2003. The Company reported net cash used in operating activities of \$441,033 for December 31, 2003. These conditions raise substantial doubt about the Company's ability to continue as a going concern.

The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty. During 2004, management of the Company intends to increase equity by contributing subordinated debt to capital and to increase revenues. There can be no assurance that management's plans, as described above, will be realized. If the Company is unable to generate sufficient revenues or raise sufficient additional capital, there could be a material adverse effect on the financial position, results of operations and cash flows of the Company.

MAY DAVIS GROUP, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2003

NOTE 3- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Depreciation

The cost of furniture and equipment is depreciated over the estimated useful lives of the related assets of 5 to 7 years on a straight line basis for book and on an accelerated basis for tax purposes.

Concentration of Credit Risk

The Company is engaged in various investment and brokerage activities in which counterparties primarily include broker-dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Comprehensive Income

The Company adopted Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" ("SFAS No. 130"). SFAS No. 130 requires an entity to report comprehensive income and its components and increases financial reporting disclosures. This standard has no impact on the Company's financial position, cash flows or results of operations since no elements of the Company's comprehensive income exist other than the income or loss from operations.

Revenue Recognition

Commission revenue and related expense are recorded on a settlement date basis. Revenues and expenses would not be materially affected if reported on a trade date basis.

Investment banking fees that arise from the Company's participation in securities selling groups and are recorded on the settlement date.

MAY DAVIS GROUP, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2003

NOTE 4- RECEIVABLE FROM BROKER-DEALERS AND CLEARING ORGANIZATIONS

Amounts receivable from the Company's clearing organization at December 31, 2003, consist of the following:

	<u>Receivable</u>
Deposit with clearing brokers	\$ 125,000
Receivable from clearing brokers	16,192
	<u>\$ 141,192</u>

NOTE 5- INCOME TAXES

Provisions for federal, state and local income taxes are calculated on reported financial statement pretax income based on current tax law. Do to the Company's loss for the year ended December 31, 2003 no provision for income taxes was accrued.

The Company follows Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes", which recognizes both the current and deferred tax consequences of all transactions recognized in the financial statements, calculated based on the provisions of enacted tax laws, including the tax rates in effect for current and future years. Valuation allowances are established for deferred tax assets when it is more likely than not, a probability level of more than 50%, that they will not be realized. At December 31, 2003, the Company had net operating loss carry forwards of approximately \$700,000 which expire in the years 2019 through 2023. These losses may be used to offset future taxable income.

At December 31, 2003, the Company had recorded a deferred tax asset of \$340,000 resulting primarily from net operating loss carry forwards. A valuation allowance of \$340,000 has been recorded against the deferred tax asset in accordance with the realization criteria established by SFAS 109.

MAY DAVIS GROUP, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2003

NOTE 6- SUBORDINATED BORROWINGS

At December 31, 2003, the Company had borrowings of \$574,269 which were unconditionally subordinated to all claims of general creditors pursuant to written agreements. Two agreements in the amount of \$29,250 each, were effective on June 27, 1995, and matured on June 30, 2002, at which time they were extended by the Company and the lenders but were not approved by the NASD. A third agreement in the amount of \$290,000 effective on February 22, 2000, matured on March 30, 2003. This loan was also extended but not approved by the NASD.

During 2003, the Company lost an arbitration and was ordered to pay an award in the amount of \$364,768 which put the Company under its net capital requirement. The Company was forced to cease operations for a period of time. The claimant accepted partial payment of the award, forgave a portion and allowed the remaining \$225,769 to be turned into a subordinated loan which matures on October 1, 2006. This loan bears interest at 9% per annum.

The two \$29,250 loans had an original interest rate of 10% per annum and the \$290,000 loan had an original interest rate of 8% per annum. Management has affirmed that any interest due on these subordinated loans has either been paid or forgiven by the lender and no interest is payable on these loans at December 31, 2003. The subordinated borrowings are available in computing net capital under the Securities and Exchange Commission's uniform net capital rule. To the extent that such borrowings are required for the Company's continued compliance with minimum net capital requirements, they may not be repaid. Since the payment of these loans would result in the Company being out of compliance with the minimum net capital requirements they have not been repaid.

NOTE 7- SECURED DEMAND NOTES

At December 31, 2003, the Company had a collateralized demand note of \$35,000 pursuant to a written agreement which matured on June 30, 2003. This loan was extended but not approved by the NASD. The loan bears interest at a rate of 10% per annum. The borrowings are available in computing net capital under the Securities and Exchange Commission's uniform net capital rule.

MAY DAVIS GROUP, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2003

NOTE 8- COMMITMENTS AND CONTINGENCIES

Leases

The Company utilizes office space in New York City on a month to month basis from a company owned by the stockholders. The Company has an operating lease for office space in Baltimore which expires April 30, 2008. Rent expense for the year ended December 31, 2003 was \$187,752. Future minimum payments required as of December 31, 2003 over the term of the current lease are as follows:

<u>December 31,</u>	<u>Minimum</u> <u>lease payments</u>
2004	32,513
2005	33,488
2006	34,493
2007	35,528
2008	10,959
	<u>\$ 146,981</u>

Litigation

The Company settled an arbitration during 2003 wherein the Company agreed to pay \$20,000 to the complainant. At December 31, 2003, the Company still owed \$10,000 which was subsequently paid in February 2004.

NOTE 9- NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 and equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. At December 31, 2003, the Company had net capital of \$143,277, which was \$43,277 in excess of its required net capital of \$100,000.

MAY DAVIS GROUP, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2003

NOTE 9- NET CAPITAL REQUIREMENTS (continued)

As a result of the Marchesi arbitration award the Company's net capital fell below its required minimum net capital of \$100,000 and the Company ceased doing business as a broker dealer for the period July 10, 2003 through October 7, 2003. The net capital violation was cured when Marchesi subordinated \$225,769 of the arbitration award until October 1, 2006.

NOTE 10- OFF BALANCE SHEET RISK

Pursuant to a clearance agreement, the Company introduces all of its securities transactions to its sole clearing broker on a fully disclosed basis. Therefore, all of the customers' money balances and long and short security positions are carried on the books of the clearing broker. Under certain conditions as defined in the clearance agreement, the Company has agreed to indemnify the clearing broker for losses, if any, which the clearing broker may sustain from carrying securities transactions introduced by the Company. In accordance with industry practice and regulatory requirements, the Company and the clearing broker monitor collateral on the securities transactions introduced by the Company.

NOTE 11- SUBSEQUENT EVENT

On February 27, 2004 the Company was ordered by the NASD to cease doing business as a broker dealer because its debt to equity ratio was in excess of 70% for over 90 days. This rule violation was cured on April 20, 2004 when the NASD approved the contribution of a subordinated loan to additional paid-in capital by the president of the Company.

As a result of net capital deficiencies the Company will seek to have its net capital requirement reduced to \$5,000.

SUPPLEMENTARY INFORMATION PURSUANT TO RULE 17a-5
OF THE SECURITIES EXCHANGE ACT OF 1934

MAY DAVIS GROUP, INC.

**SCHEDULE I
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE
SECURITIES AND EXCHANGE COMMISSION
DECEMBER 31, 2003**

NET CAPITAL:

Stockholders' equity		\$	112,177
Add: Allowable subordinated borrowings	\$	574,269	
Secured demand notes		<u>35,000</u>	
			609,269
Less non-allowable assets and deductions:			
Receivable from officers		459,944	
Securities owned, not readily marketable, at estimated fair value		50,000	
Loans receivable		17,377	
Furniture and equipment, net		12,225	
Prepaid expenses and other assets		<u>38,348</u>	
			<u>577,894</u>
Net capital before haircuts			143,552
Less: Haircuts on securities positions		93	
Secured demand note deficiency		<u>182</u>	<u>275</u>
NET CAPITAL		\$	<u><u>143,277</u></u>
TOTAL AGGREGATE INDEBTEDNESS		\$	<u><u>91,735</u></u>
MINIMUM NET CAPITAL REQUIRED (6 2/3% of aggregate indebtedness)		\$	<u><u>6,116</u></u>
MINIMUM NET CAPITAL REQUIRED		\$	<u><u>100,000</u></u>
EXCESS NET CAPITAL (\$143,277 - \$100,000)		\$	<u><u>43,277</u></u>
PERCENTAGE OF AGGREGATE INDEBTEDNESS TO NET CAPITAL	\$	<u>91,735</u>	
	\$	<u>143,277</u>	<u><u>64.026%</u></u>

MAY DAVIS GROUP, INC.

**SCHEDULE II
RECONCILIATION OF COMPUTATION OF NET CAPITAL UNDER
RULE 17a-5(d) (4) OF THE SECURITIES AND EXCHANGE COMMISSION
DECEMBER 31, 2003**

NET CAPITAL, as reported in Company's Part II-A Focus Report (Unaudited)		\$ 168,354
Audit adjustments resulting in a:		
decrease in stockholders' equity (1)	\$ (77,487)	
decrease in non-allowable assets (2)	52,408	
decrease in haircuts	<u>2</u>	(25,077)
NET CAPITAL, per audit		\$ <u><u>143,277</u></u>
<u>(1) Decrease in stockholders' equity:</u>		
Decrease - Paid-in capital per audit		14,750
Income adjustment		62,737 (3)
		\$ <u><u>77,487</u></u>
<u>(2) Decrease in non-allowable assets:</u>		
Reclassify fixed assets/depreciation		\$ 39,321
Write off security deposit		28,364
Reclassify expenses		(25,277)
Reclassify paid in capital		10,000
		\$ <u><u>52,408</u></u>
<u>(3) Changes in income:</u>		
Debt forgiveness		\$ (24,750)
Reclassify fixed assets to expense		45,063
Write off WTC rent deposit		28,364
Accrue interest payable		5,080
Accrue taxes payable		20,000
Other adjustments		(11,020)
		\$ <u><u>62,737</u></u>

MAY DAVIS GROUP, INC.

**SCHEDULE III
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS UNDER
RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION
DECEMBER 31, 2003**

The Company is exempt from the Securities and Exchange Commission rule 15c3-3 under section (k)(2)(ii) and therefore is not required to maintain a "Special Reserve Bank Account for the Exclusive Benefit of Customers".

MAY DAVIS GROUP, INC.

**INDEPENDENT PUBLIC ACCOUNTANTS' SUPPLEMENTARY REPORT ON
INTERNAL ACCOUNTING CONTROL**

DECEMBER 31, 2003

KEMPISTY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS, P.C.

15 MAIDEN LANE - SUITE 1003 - NEW YORK, NY 10038 - TEL (212) 406-7272 - FAX (212) 513-1930

The Stockholders of
May Davis Group, Inc.
New York, New York

In planning and performing our audit of the financial statements of May Davis Group, Inc. (the "Company") for the year ended December 31, 2003, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission ("SEC"), we have made a study of the practices and procedures followed by the Company including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a) (11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons.
2. Recordation of differences required by rule 17a-13.
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraphs. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

May Davis Group, Inc.

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control, including control activities for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2002 to meet the SEC's objectives.

This report recognizes that it is not practicable in an organization the size of May Davis Group, Inc. to achieve all the divisions of duties and cross-checks generally included in an internal control and that, alternatively, greater reliance must be placed on surveillance by management.

In addition, our review indicated that May Davis Group, Inc. was in compliance with conditions of exemption from rule 15c3-3 pursuant to Paragraph k(2)(ii) as of December 31, 2003 and no facts came to our attention to indicate that such conditions had not been complied with during the year.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, NASD Regulation, and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Kempisty & Company CPAs, P.C.

Kempisty & Company
Certified Public Accountants PC
New York, New York
March 26, 2004